

## *Information about your Fiscal Year 2019 Real Estate Tax Bill*

This insert is intended to provide you with some information about your enclosed tax bill. The following questions are most commonly asked by residents about their tax bills.

### *Did overall property value in Westwood change from FY18 to FY19?*

Yes. FY19 is a full revaluation year, with all properties being revalued. The value of all real estate in Town increased by 6.6%, with residential value increasing 5.5 % and commercial value increasing 12.3%.

### *Did my individual home value change?*

Yes. All of the residential homes in Town had a change in value for FY19. Values are required to be updated annually to reflect market conditions and sales activity. As always, values also change due to home renovation or improvements.

Approximately 60% of homes had a value increase in the range of 3% to 8%, with the median home value increasing to \$634,000. Approximately 6% of homes experienced a decrease in value.

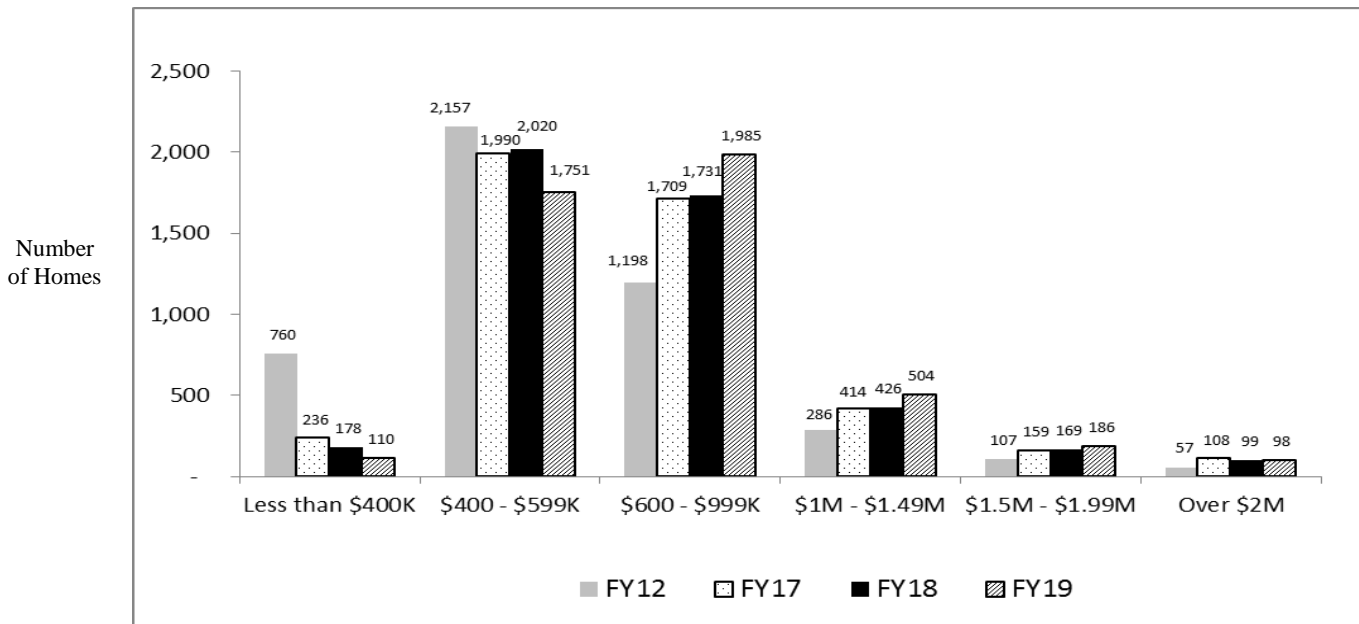
A report listing all home values for FY18 and FY19 can be found on the Town’s web site at [www.townhall.westwood.ma.us](http://www.townhall.westwood.ma.us). From the Home page, select “Residents”. Click the link for “Tax Rates and Property Assessments”. It is important to remember that state tax law dictates that your FY19 tax bill is based on the assessed value of your home as of **January 1, 2018** based on home sales that occurred during calendar year **2017**.

If you notice any data errors when viewing the on-line Assessors’ database, please contact the Assessors’ Office. The Board of Assessors is committed to ensuring that each property is fairly and accurately assessed.

### *What is the range of home values in Westwood?*

Range of Residential Property Values

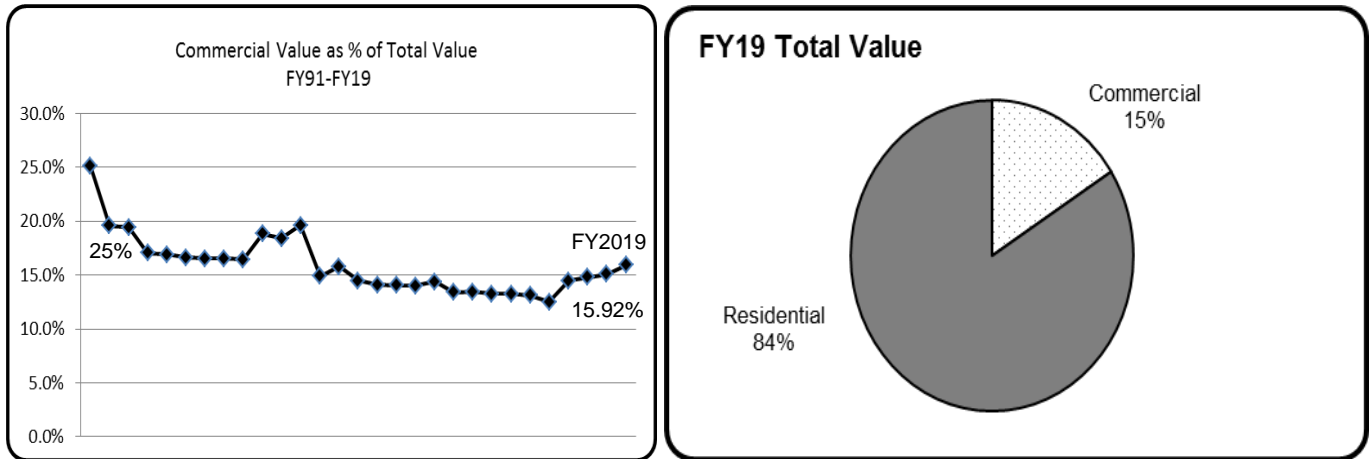
Home Values by Category  
FY12 – FY19



Home Values

***Did commercial property increase in value for FY19?***

Yes. The total commercial property saw an overall increase in value of approximately \$79 million or 12%. It is important to remember that state tax law looks at the value of new construction as of June 30, 2018. This increase in value came from the revaluation process, as well as new commercial development, including the new hotel and restaurants at University Station.



In FY19, commercial properties are 15% of the Town’s total value, but will pay 26.7% of total taxes.

***Does the commercial property pay a higher tax rate than residential?***

Yes. The Town has a split tax rate, charging commercial property a higher rate than residential. The Board of Selectmen, in consultation with the Board of Assessors, voted to set the FY19 shift factor, which sets the different rates, at 1.68.

In FY19, commercial property, while only representing 15% of the Town's value, will pay 26.7% of the total taxes, an increase from 25.7% in FY18.

***Does the higher commercial rate help my residential tax bill?***

Yes. Without this higher commercial split rate, the average tax bill would increase an additional 15% or \$1,370. This is a significant savings to the average residential tax bill.

***What is the change in real estate tax rates for FY19?***

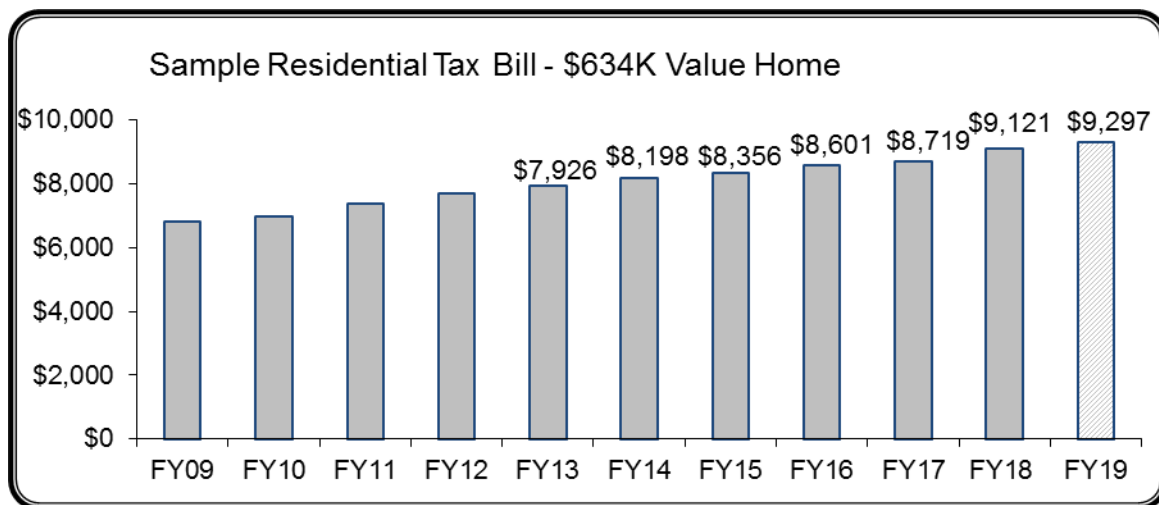
The FY19 tax rates per \$1,000 of valuation are as follows:

| Tax Rate    | FY18    | FY19    | Rate Change FY18 to FY19 | % Change in Rate FY18 to FY19 |
|-------------|---------|---------|--------------------------|-------------------------------|
| Residential | \$15.09 | \$14.65 | -\$0.44                  | -2.9%                         |
| Commercial  | \$29.30 | \$28.24 | -\$1.06                  | -3.6%                         |

**What happened to my individual tax bill?**

The tax rate on your bill is based upon the value of the residential and commercial property in the Town and the amount of money that was voted to be spent at the May 2018 Town Meeting. It also includes debt currently approved outside of Proposition 2 ½. This tax rate is then multiplied by the value of your house to arrive at your new tax amount.

Proposition 2 ½ places limits on the total amount of taxes that can be raised by a city or town. It does not apply to an individual tax bill. While the total taxes collected by the Town including new growth increased by 4%, each individual tax bill is determined by the change in the tax rate and the change in valuation for that particular parcel.



*This sample home has a tax increase of \$176, or 2% from FY18 to FY19 and has a 5% increase in assessed value from FY18 to FY19.*

**Sampling of Individual Home Values/Tax Bills**

| Home Value   |             |          | Tax Bill  |          |          |
|--------------|-------------|----------|-----------|----------|----------|
| FY18         | FY19        | % Change | FY18      | FY19     | % Change |
| \$ 1,842,850 | \$1,843,000 | 0%       | \$ 27,809 | \$27,000 | -2.9%    |
| \$ 1,168,700 | \$1,213,250 | 3.8%     | \$ 17,636 | \$17,774 | .8%      |
| \$ 950,850   | \$1,032,800 | 8.6%     | \$14,348  | \$15,131 | 5.5%     |
| \$ 811,850   | \$875,600   | 7.9%     | \$ 12,251 | \$12,828 | 4.7%     |
| \$ 714,900   | \$745,550   | 4.3%     | \$ 10,788 | \$10,922 | 1.2%     |
| \$ 597,800   | 633,950     | 6.0%     | \$ 9,021  | \$9,287  | 3.0%     |
| \$ 522,950   | 566,600     | 8.3%     | \$ 7,891  | \$8,301  | 5.2%     |

***What debt outside Proposition 2 ½ is included in this bill?***

There are two components to the total taxes collected by the Town: 1) the general tax levy, and 2) the exempt debt, which is the principal and interest costs for the debt approved outside the limits of Proposition 2 ½.

The FY19 tax levy includes principal and interest payments that the Town will be making for the Proposition 2 ½ debt exclusion projects listed below. All other debt projects approved outside of Proposition 2 ½ have been completed, meaning the bond has been fully repaid and the cost removed from the tax levy.

| <b>Project/Bond Issued</b>                | <b>Fiscal Year Debt Will Be Completed</b> | <b>FY19 Debt Payments</b> | <b><u>Net Amount of Debt in FY19 Levy</u></b> |
|---|---|---------------------------|---|
| High School Construction - \$39.2 million | 2023                                      | 16 <sup>th</sup> of 20    | \$746,012                                     |
| Library Construction - \$9.3 million      | 2031                                      | 8 <sup>th</sup> of 20     | \$683,493                                     |

All other Town debt is being funded within Proposition 2 ½.

***Were Steps Taken to Address Residential Tax Relief?***

Yes. The Board of Selectmen proposed and Town Meeting approved several measures to continue efforts to try to mitigate the increase in the residential tax bill. These measures include:

- Striving to keep all operating and capital budgets within Proposition 2 ½.
- Not utilizing the entire available tax levy (approximately \$1.1 million) permitted by state law for FY19. This continues a tax relief measure as done in the previous year.
- Maintaining beneficial commercial/residential split tax rate.